

# MINUTES

**Seattle City Employees' Retirement System  
Regular Board Meeting**

**Wednesday, December 2, 2009 – 9:00 a.m.  
Pacific Building, 10<sup>th</sup> Floor**

**Present:** Mary Norris, Lou Walter, Frank Mathews, Dwight Dively, Jean Godden, Rod Rich

**Absent:** Mark McDermott (excused)

**Also Present:** Walt North (ARSCE), Gwen Jensen (ARSCE), Barbara Graham (ARSCE), Jim Taylor (ARSCE), Ken Leask (ARSCE), Robert Sugden (ARSCE/RCLEA), Vernon Connally (ARSCE), Ken Yeager (Retiree), William Song, Esq. (Song Mondress), Carlton Seu, Esq. (City Attorney's Office), Cecelia M. Carter (SCERS), Teresa M. Wells (SCERS), Mike K. Akiyama (SCERS)

**Chairperson Jean Godden called the meeting to order at 9:02 a.m.**

A moment of recognition for Frank Mathews who tendered his resignation from the Board after 16 years of service. He was given a time piece memento to commemorate his dedicated service. Frank stated that he was honored to have served with the Board. Lou Walter commented on how Frank has always been an advocate for the Retirement System and he appreciated having him here. Jean Godden also commented on her time serving with Frank.

Cecelia Carter introduced Michael (Mike) Akiyama as the newly-hired Finance & Operations Manager on staff for the Retirement System. Mike briefly described his education and employment background.

**Public Comment:**

There being none

**Minutes:**

**Motion:** Upon motion by Dwight Dively, seconded by Rod Rich, the Retirement Board approved the minutes from the November 4, 2009 Retirement Board meeting.

**Ratification of Retired Payroll, Office Payroll, Other Payments and Withdrawals:**

**Information:** The following items represent normal expenses and nothing extraordinary.

Service	\$ 8,181,579.15**
Beneficiary	\$ 906,148.69**
Disability	\$ 72,984.74**
<b>Pension Payroll – PPE November 30, 2009</b>	<b>\$ 9,160,712.58</b>
** includes 1.5% COLA	
<b>Office Payroll – PPE October 13<sup>th</sup> &amp; 27<sup>th</sup>, 2009</b>	<b>\$ 48,265.94</b>
<b>Vouchers Processed – October 31, 2009</b>	<b>\$ 700,690.15*</b>
<b>Expert and Consultant Services - \$ 645,821.18*</b>	

## Immediate Withdrawals of Contributions for the month of November 2009:

MEMBER	DEPARTMENT NAME	POSITION
Paris, Ronald Edward	Muni Court	Probation Counselor I
Mason Jr., Charles Francis	Police	Dispatcher I
Caro, Fabricio Rne Ocampo	SDOT	Urban Forestry
Ruddell, Septeber L	Parks	Aquarium Syst Op, Chief
Stevens, Douglas J	City Light	Mat Sup, Elec-Asg Csd /or Cdt
Greenberg, Brady Anthony	FFD	Delivery Worker
Kuether, Audrey S	Police	Crossing Guard
Berkey, Cale D	SPU	Civil Engineer Spec II
Regala, Sharon G	SPU	Administrative Specialist II
Malu, Rereisa V	Parks	Laborer
Anderson, Leif E	SPU	Sr Economist

**11 Withdrawals for a total of: \$ 155,930.24**

**Motion:** Upon motion by Dwight Dively, seconded by Rod Rich, the Board ratified the Retiree Payroll, Office Payroll, other Payments and Withdrawals.

## Ratification of Service Retirements:

**Information:** The following list represents the retirements that have been processed since the last Retirement Board meeting.

Retiree	Retire Date	Years Service	Days Service	Dept Name	Position	Age
Beaurain, Joanne L.	10/01/09	4	287	SDOT	Vested	62
Beller, Thomas A	11/03/09	36	205	City Light	Cablesplicer	60
Boccamazzo, Frank Ralph	10/14/09	20	87	DPD	Bldg Inspector, Structural	65
Hale, Ronald K	11/22/09	23	197	Police	Vested	52
Hermann, John D	10/14/09	36	20	Parks	Recreation Center Coord.	65
King Jr., John P	11/04/09	27	27	DCLU	Manager 3, Eng. & Plans Rev	66
Mikulas_Serletti, Sally	10/21/09	17	284	SDOT	Admin Specialist III-BU	63
Morrison , Greta Lynn	10/08/09	8	306	Vested	Training Manager	63
Pearson, Dennis A	11/07/09	25	146	City Light	Energy Res & Eval Analyst	62
Poggi, Alice V	10/26/09	14	223	Parks	Vested	57
Takai, Tevita	11/11/09	17	294	SDOT	Cement Finisher	62
Viney, George Stephen	11/04/09	20	192	SDOT	Manager 3, Fin Bud. & Acctng	64

**Motion:** Upon motion by Dwight Dively, seconded by Mary Norris, the Retirement Board approved and ratified the service retirements listed above, pending final review.

For the month of November: 24 new members entered the System, 12 retired from the System, 0 retirement continuations due to death of retiree, 1 retirement resulting from death of active member, 4 retirement adjustments due to social security payments beginning, 1 C-option expiration and 30 others terminated City employment.

## Ratification of Investment Transactions and Statement of Securities and Cash:

**Information:** Provided in the Retirement Board packet is the Investment Summary report that represents the transaction summary and the market value of the investments as of October 31, 2009. (Attachment #2)

Cecelia noted a minor correction on page 2 of the report: JP Morgan Alternative Properties should have an asterisk as they have announced a voluntary liquidation of the program.

**Motion:** Upon motion by Dwight Dively seconded by Frank Mathews the Retirement Board accepted the Investment Summary report.

### **Investment Committee Report:**

**Information:** The Investment Committee is scheduled to next meet at noon on January 28, 2010 in the Retirement Office. Reminder, there will not be an Investment Committee meeting in December.

- Report on the Investment Committee meeting held on November 19, 2009

Investment Policy Guidelines update: specifically with regards to real estate, hedge fund, and private equity—will be tabled until SCERS has gone through asset/liability study. However, PCA has been instructed to begin benchmarking our real estate investments against both the NCREIF and Odyssey benchmarks. For the quarter ending September 30, 2009 the fund showed an increase in asset value which is a sign of moderate recovery.

Domestic Equity Asset Class review: After several months, the committee has elected to restructure that portion of our portfolio to reflect more passive investing characteristics.

Teresa M. Wells made a due diligence visit this week with Capital Point Partners to become more familiar with the fund's management. Capital Point Partners indicated that they suspected the fund will return 9% cash. She also visited with Oaktree Mezzanine Fund II on-site at the SCERS office. Out of 100 real estate investments in the Oaktree portfolio, only six are on their watch list. The investment period expires in 2010. The two managers she met with had positive news.

**Motion:** Upon motion by Lou Walter, seconded by Dwight Dively, the Retirement Board authorized the Executive Director to work through a process necessary to implement a domestic equity asset class strategy change to achieve an asset class portfolio more reflective of passive investing characteristics as outlined in Option 5 supplement of the PCA Report dated July 2009. Further, the Board understands the implementation of this program will occur over several transactions all of which will be reported back to the Board as implemented.

### **Executive Director Report:**

- 2010 Board Meeting dates

Cecelia Carter asked the Board to review the dates. Lou Walter mentioned the May meeting date would conflict with NCPERS. Ms. Carter indicated she would work with the Board Chair to select a new date for the May 2010 Board meeting.

Cecelia also discussed the cash flow report. As of November 30, there is \$1.5 million positive cash flow for the year.

## Old Business:

### 1) Status of Benefit Enhancements

**Information:** The **estimated** current funding level of the Retirement Fund is 62.5% as of October 31, 2009.

The above amount is an estimate calculated each month by the Retirement Office staff. As provided by Ordinance 120685, changes to the Floor COLA will occur once the funding level has reached at least 100% and has been confirmed by the Board after commissioning an actuarial valuation.

### 2) Items to Discuss (*Tabled*):

- Investment Policy Guidelines
- Real Estate
- Hedge Funds
- Alternative Assets

## New Business:

- Resolution authorizing Michael K. Akiyama and Teresa M. Wells to execute documents on behalf of SCERS.

**Motion:** Upon motion by Rod Rich, seconded by Dwight Dively, the Retirement Board approved the Board Resolution authorizing Michael K. Akiyama and Teresa M. Wells to execute documents along with Cecelia M. Carter's authorization on behalf of SCERS.

*The Board reserves the right to enter into executive session if necessary.*

## Executive Session:

- **The Board went into executive session to discuss Ordinance 120656 and its clarification at 9:29 a.m.**

The executive session ended at 9:48 a.m.

**Motion:** Upon motion by Frank Mathews, seconded by Dwight Dively, the Retirement Board authorized the Executive Director to prepare an Ordinance to be submitted to City Council to clarify the original intent of Ordinance 120656.

- **The Board went into a second executive session to discuss certain EE contributions at 9:49 am.**

The second executive session ended at 9:57 a.m.

No motion was passed.

## Adjournment:

**Motion:** Upon motion by Frank Mathews seconded by Lou Walter the Retirement Board voted to adjourn the meeting at 9:58 a.m. for 2009 and to wish all a joyous holiday season.

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Mark McDermott, Secretary